

6.0 Airport Capital Program

The Airport Capital Program provides funding for planning and engineering projects that focus on airport facility development. These projects include master plan and airport layout plan studies, environmental studies, land acquisition, airside facility design and construction, and terminal building design and construction.

It is the intent of the Virginia Aviation Board that sponsors properly plan for airport development. Long-range planning, typically for a 20-year horizon, is conducted through the development of airport master and layout plans. Planning for the near term is guided by the six-year Airport Capital Improvement Plan (ACIP) that identifies and prioritizes projects for facility development. This tool phases proposed projects over a six-year period and provides cost estimates, anticipated sources of funding, and justifications for project implementation. The projects listed in the six-year ACIP must be included on the airport layout plan and meet federal and state regulatory requirements.

The VAB requires an airport sponsor to have a current six-year ACIP on file with DOAV in order to be eligible to receive state discretionary funds. The information contained in these plans is important to the development and maintenance of a strong statewide airport system as the plans:

- establish an accurate assessment of Virginia's airport needs
- provide DOAV with specific information to use in developing an accurate and comprehensive six-year budgetary program
- assist DOAV in leveraging maximum federal funding for eligible sponsors and projects
- provide the VAB with specific requests for state funding

Normally, sponsors undertake six-year ACIP coordination during the third and fourth quarters of each fiscal year; airport sponsors may update their ACIP at anytime. When there is a change in a six-year ACIP, especially a cost estimate change, an updated six-year ACIP should be submitted to DOAV as soon as possible. The VAB considers the majority of the eligible year one projects during its first meeting of the fiscal year. Projects may also be funded at subsequent VAB meetings during the fiscal year.

The requirement for a six-year ACIP does not apply to airport sponsors applying for state entitlement funding. However, these sponsors shall have a six-year ACIP on file with DOAV in order to be eligible to receive state discretionary funds.

6.1 Project Eligibility

A wide range of development projects is eligible for the Airport Capital Program. Table 2 lists many of the eligible projects, divided into general categories for

reference. Details on specific projects are provided in Appendix A, information on terminal buildings is provided in Appendix B, and information on access roads is provided in Appendix C.

Table 2
Examples of Eligible Airport Capital Projects

| General Category | Specific Projects |
|--|--|
| planning studies | <ul style="list-style-type: none"> • master plans • airport layout plans |
| environmental studies | <ul style="list-style-type: none"> • environmental assessments • wetlands delineations • environmental due diligence audits |
| land acquisition | <ul style="list-style-type: none"> • appraisals • negotiation services • fee simple purchase and easements • administrative and legal costs |
| design and construction of airside facilities | <ul style="list-style-type: none"> • grading, paving, and drainage for public-use, non-revenue producing facilities • clearing and grubbing for construction, obstruction removal, and equipment installation • airport rescue and fire fighting buildings • utilities for public-use facilities • maintenance equipment storage buildings • site preparation for hangar construction • construction, installation, and removal activities for fuel storage systems |
| design and construction of landside facilities | <ul style="list-style-type: none"> • grading, paving, and drainage for public-use, non-revenue producing facilities • access roads • relocation of non-airport related facilities |
| terminal buildings | <ul style="list-style-type: none"> • conceptual studies • design • construction |

Projects that are revenue producing or will develop facilities for exclusive use by airport management or tenants are not eligible for the Airport Capital Program. Examples of ineligible projects include:

- exclusive use hangars
- restaurants and cocktail lounges
- concessionaire facilities
- airline ticketing areas
- baggage handling areas
- airport management offices

- day facilities for sleeping accommodations
- office space and air traffic control facilities for lease to the Federal Aviation Administration, the Transportation Security Administration (TSA), or a fixed base operator (FBO)

In addition, projects related to facilities and equipment, general aviation security, maintenance, promotion, and air service development are not considered to be Airport Capital Program projects, as these programs are funded through the Aviation Special Fund. Sponsors should not list these projects as part of a six-year ACIP.

6.2 State Participation

Due to the limited availability of public funds and in an attempt to make funding available to as many sponsors as possible, the VAB has placed a limit on the total dollar amount of allocations an airport sponsor may receive in each fiscal year. No single airport sponsor may receive allocations totaling more than 25 percent of a current fiscal year's adjusted resources as determined by DOAV. After January 1, this funding limit is removed.

6.2.1 State Entitlement Funds

Air carrier airports may use their state entitlement funds to cover 100 percent of the non-federal share of federal projects. This provision applies only to federally funded projects where state entitlement funds will be used solely to fund the entire non-federal amount. If state discretionary funds are combined with state entitlement funds for the non-federal share, the total amount of state funds allocated to a project cannot exceed 60 percent of the non-federal share.

6.2.2 State Discretionary Funds

For a federally funded project where state discretionary funds will be used, the department participates at the rate of 60 percent of the non-federal share of eligible project costs. The federal share of these projects is 95 percent, so the state share is 3 percent and the local share is 2 percent.

When an airport sponsor is not eligible for federal funds or federal funds are not available for an eligible sponsor, the VAB may allocate state discretionary funds to eligible projects. The participation rate varies depending on the type of project. For most state funded projects, the state participation is 80 percent of the eligible project costs.

6.2.3 Multiple Funding Sources

In the event available federal money is not sufficient to meet a sponsor's needs and other sources are available, such as VDOT or the Department of Homeland Security, the sponsor should seek the use of funds from those sources before applying for state aviation funding.

6.2.3.1 Insufficient FAA Funding When there are insufficient federal funds to complete programming of a federally funded project and the airport sponsor desires to use additional state discretionary or entitlement funds to finance the project, the project as a whole shall be separated into two grants. One grant will use the federal funding ratio of 95 percent federal and 5 percent non-federal, and the other grant will use the state funding ratio based on the type of project.

6.2.3.2 Application of Other Funding Sources Sponsors should maximize all other funding sources before applying for state funding. When there are multiple sources of funding available to finance a project, they will be applied in the following order:

- federal agencies, such as the Department of Homeland Security and EPA
- FAA
- state agencies and entities, such as VDOT and the Tobacco Commission
- DOAV
- airport sponsors

Sponsors seeking funding for access roads should maximize VDOT funds to the greatest extent possible prior to applying for federal and state aviation funding. VDOT funds are considered a state funding source and cannot be used as the local share of a project. The department will work with the sponsor to determine the overall funding levels for these projects.

6.3 Application Process

To apply for Airport Capital Program funding, a sponsor should submit a complete pre-application package that must include:

- a six-year ACIP with original signature and date as the pre-application form
- a project narrative
- a sketch that graphically depicts the proposed projects as they relate to the airport layout plan
- documentation of environmental coordination and findings

Instructional guidance for completion of an Airport Capital Program pre-application package will be available on DOAV's website at the beginning of the third quarter of each fiscal year. The guidance includes easy-to-follow instructions, forms, examples of completed forms, and reference information.

Any time during the year, sponsors may submit complete pre-application packages for consideration at regularly scheduled meetings of the VAB. Submission deadlines are set for each meeting. A schedule of these deadlines and the dates of the VAB meetings are provided to sponsors as part of the instructional packet distributed in the third quarter of each fiscal year and posted on DOAV's website.

After a pre-application package has been submitted, the only change DOAV will accept is a project cost change, either an increase or decrease. Sponsors need to notify DOAV of project cost decreases as soon as they are known so the cost differences can be available to other projects. A revised ACIP form must be submitted.

6.3.1 Preparation of Project Scopes

Prior to preparing the pre-application package, sponsors are encouraged to hold scoping meetings for all projects to identify precise work tasks and estimated costs. Participants in the scoping meetings can include representatives from FAA, DOAV, the sponsor, a consultant team, and local government offices.

In preparing the pre-application package, sponsors need to coordinate with DOAV on the approval of scopes of work and related documents prior to the submission of the package.

- For state funded planning studies, environmental studies, and engineering designs, a sponsor must submit a scope of work, including fee estimates and man-hours by task, for DOAV to review and approve prior to making a recommendation to the VAB.
- For state funded construction projects, a sponsor shall submit bids and construction management fee estimates and man-hours by task for DOAV to review and approve prior to making a recommendation to the VAB.
- For federally funded projects, the sponsor must to provide DOAV with a copy of the scope of work as described above for planning studies, environmental studies, and engineering designs for DOAV review prior to making a recommendation to the VAB.

6.3.2 Preparation of Pre-Application Package

As the first year of the six-year ACIP identifies local priority within the plan, the projects listed in the first year are recognized as the projects for which funding is requested, and this portion of the six-year ACIP is used as the pre-application form. Cost estimates for the first year projects should be as accurate as possible so a sponsor does not have to seek additional funding from the VAB at a later date or that the VAB does not obligate more funds than what are needed to complete a project.

It is mandatory that the project narrative describes the projects requested for the first year of the six-year capital improvement plan. The narrative needs to provide the justification for the projects and information on the work required to implement the projects. All supporting documentation should be submitted with the narrative. Descriptions and supporting documents are not needed for projects listed for the second through the sixth years of the six-year plan. Sponsors are strongly urged to provide focused and factual information in the pre-application package so the review process can proceed in a timely manner and priority scoring can be as accurate as possible.

6.3.3 Submission of Pre-Application Package

Complete pre-application packages must be submitted only by sponsors, and the packages must be delivered, mailed, or faxed to DOAV by 5:00 p.m. on the designated due date. A copy of the complete pre-application package should also be provided to the FAA Washington Airports District Office.

When a submittal is faxed, the package must include a signed and dated pre-application form. A hard copy of the package must be received by DOAV within one week of the due date. If a hard copy is not received within one week of the due date, the department will recommend disapproval of all projects listed on the pre-application form. The hard copy must include an original signature and date.

With the exception of emergency requests and missed opportunities as described in Section 6.7 Special Requests for Airport Capital Program Funding, pre-application packages received after the deadline will not be considered for funding at the upcoming VAB meeting. The sponsor will need to resubmit the project request for a subsequent meeting.

Draft packages submitted by sponsors or consultants will not be accepted as interim submittals.

6.3.4 Air Carrier State Entitlement Funds

Air carrier airport sponsors who intend to use only state entitlement funds for their first year projects do not have to submit a pre-application package. If the sponsor believes it may need state discretionary funds, the sponsor should submit a pre-application package. If it is determined that there are sufficient state entitlement dollars to fund all of the first year projects, the sponsor may request that the projects be withdrawn from VAB consideration.

Sponsors eligible for state entitlement funds must submit a *Commonwealth Airport Fund Entitlement Utilization Report* to the VAB for approval each year. These reports provide an annual accounting of the previous fiscal year's state entitlement fund expenditures. The utilization reports must be filed within 30 days of the close of the fiscal year.

6.4 Evaluation and Selection Process

DOAV carefully reviews each pre-application package and prioritizes projects as part of the evaluation process. Recommendations are made to the VAB for action.

6.4.1 DOAV Review

DOAV will review each Airport Capital Program pre-application package upon receipt for completeness and will contact the sponsor if required documentation is missing. A sponsor's failure to provide any of the required documentation so requested by DOAV within one week of the application deadline will result in a departmental recommendation to disapprove all projects or individual projects within a request.

DOAV will then review the individual first-year project requests to ensure they meet the intent of the *Virginia Aviation Regulations* and VAB policies. This review includes determining if sponsor and project eligibility requirements are satisfactorily met. DOAV uses the checklist in Table 3 as a guide for its review. Sponsors should use the checklist in Table 3 as a review tool when preparing their pre-application package.

Table 3
DOAV Project Review Checklist

| All Projects |
|---|
| <ul style="list-style-type: none"> Is the project shown on the approved ALP, and does it conform to the approved ALP? Is environmental coordination required, and if so, has a finding been received? Is a determination of coastal zone consistency required, and if so, has the finding been received? Has airport safety zoning been adopted? Is the sponsor eligible for this project, based on its airport service role? Is the proper supporting documentation included? Are runway approach surfaces unobstructed per applicable minimum standards? |
| Engineering Projects |
| <ul style="list-style-type: none"> Do the runway length and width meet applicable minimum standards? Have the cost estimate and source been verified? What is the rating on pavement condition index, if applicable? |

Any supporting documentation requested by the department as part of this review process shall be provided within 10 business days of the request. A sponsor's failure to provide the supporting documentation within ten business days of the department's request will result in a departmental recommendation to disapprove all projects or individual projects within a request.

6.4.2 Project Priority Scoring

The next evaluation step utilizes a project priority system that was developed by DOAV and airport sponsors and adopted by the VAB. The intent of the system is to objectively prioritize statewide needs so financial resources can be allocated to the highest priority projects. With this system, each project is scored on:

- a project's merit, such as safety and capacity
- an airport's activity and role within the state system
- a sponsor's responsibility for maintenance and protection of the airport

The current scoring criteria and their assigned priority points are shown in Appendix D.

When an air carrier airport sponsor only uses its state entitlement funds, the project priority system is not applied to the projects the sponsor undertakes. When the sponsor wants to use state discretionary funds in addition to its state entitlement funds, the project priority system is applied to all the projects for which state money will be used, resulting in a prioritized list of projects. All of the sponsor's state entitlement funds will be allocated to the highest priority projects on the list. State discretionary funds will then be allocated to the remaining projects.

6.4.3 Recommendations and VAB Action

DOAV uses the scoring from the project priority system and its individual project review to make approval recommendations to the VAB. DOAV is required to provide the recommendations to members of the VAB at least two weeks prior to regular VAB meetings. These recommendations are posted on the department's website for VAB member and sponsor review.

DOAV recommendations are formally presented to the VAB at its regular meetings. VAB approval of a project constitutes the issuance of a tentative allocation of funds, contingent on the sponsor certifying that local funds are available to support the cost of the proposed development. The VAB may disapprove funding requests because of sponsor ineligibility, project ineligibility, incompleteness of a pre-application package, or unavailability of state funds. For projects disapproved due to incomplete pre-applications, the sponsor should work with DOAV to resolve outstanding issues and resubmit the projects. For disapprovals based on funding limitations, sponsors should resubmit a complete pre-application package for the next scheduled VAB meeting.

6.5 Agreement Process

The agreement process begins with notifications to sponsors of tentative allocations. These in turn lead to a sponsor's submission of a grant application and DOAV's offering of a grant agreement.

6.5.1 Tentative Allocations

After each VAB meeting, DOAV notifies airport sponsors and managers which projects were approved and disapproved. A funding request summary is sent with each notification to confirm the amounts of local, state, and federal funding, as appropriate. The notification directs sponsors to submit grant applications for approved state funded projects to DOAV within 60 days of the notice of approval and reminds them that outstanding tentative allocations for state funded projects may be withdrawn by the VAB within six months of issuance. The notification also reminds sponsors that no state reimbursements will be made until a grant has been executed for a project. **It should be noted that any project related activities undertaken before a grant is executed will not be eligible for state reimbursement.**

Certain types of projects involve design, bidding, and contracting and are seasonal in nature. They require more time to progress from an allocation to a grant agreement.

Other scopes of work that involve studies, such as master plans, terminal planning, and environmental assessments, or pure design efforts generally require only one contract and are not affected by seasonal changes. These studies should be placed under a grant within 60 days of the notice of approval.

If a project's cost increases after the VAB has awarded a tentative allocation and before a grant agreement is executed, a sponsor may request an increase in the allocation. DOAV will review the justification for the cost change and may increase the tentative allocation by up to 10 percent, contingent on the availability of state funds. Requests for tentative allocation increases exceeding 10 percent must be submitted to the VAB for action at a regularly scheduled meeting. A sponsor may receive an increase on a state funded project from either DOAV or the VAB; a sponsor may not receive an increase from both entities for the same tentative allocation.

Before each VAB meeting, DOAV reviews the status of existing tentative allocations. If the DOAV review determines that no activity on the state project application process has taken place within six months of the tentative allocation issuance, the department will request that the sponsor return the tentative allocation or recommend to the VAB that it withdraw the tentative allocation so the funds can be allocated to another project. The recommendations are given to the VAB before each meeting for action during that meeting. DOAV will notify affected sponsors of its recommendations prior to a VAB meeting. Sponsors should take the necessary actions to execute grant agreements so the funds will not be withdrawn.

If an airport sponsor determines that it cannot act on an existing tentative allocation, the sponsor must notify the department as soon as possible so the funds can be returned to the Commonwealth Airport Fund for re-allocation.

6.5.2 Grant Applications

Upon receipt of the letter confirming the issuance of a tentative allocation, a sponsor should complete an Airport Capital Program project grant application to inform DOAV that the project is ready for implementation. The application provides a description of the project, a summary of funding sources with amounts, and a summary of project costs. The application form must be signed and dated.

6.5.3 Grant Agreements

Upon receipt of a properly completed grant application, DOAV will prepare a grant agreement for the project. The purpose of a grant agreement, that when executed becomes a contract between the sponsor and the Commonwealth of Virginia, is:

- to meet the requirements of *Virginia Aviation Regulations* 24 VAC 5-20-330
- to ensure that all parties are aware of their respective responsibilities
- to ensure that grant funds are properly controlled and returned if not required to complete a project

Grant agreements will be offered after DOAV has approved contracts for services and actual costs have been determined. This process is used to prevent wide discrepancies in project cost between grant agreement execution and project implementation.

Each grant agreement contains an offer and acceptance. The offer identifies the airport, the sponsor, the project, and the state share of eligible project costs. The majority of the offer states the terms and conditions for the grant, which include state grant amounts, federal grant amounts if applicable, expiration dates for the offer and the agreement, and sponsor responsibilities during and after the implementation of the project. The offer is executed by the director of DOAV.

Key elements in the offer are the assurances, which are statements of sponsor obligations that become effective when an agreement is executed. All grants contain certain administrative assurances, such as obtaining goods and services in accordance with the *Virginia Public Procurement Act*. Other assurances will differ depending on the type of project and sources of funding. For example, a terminal building construction grant agreement will identify the public-use, non-revenue producing areas paid for with Commonwealth Airport Funds, and the assurance guarantees that these areas shall be open to the public during normal business hours. As another example, when land acquired with state funds is no longer required for aeronautical purposes, disposal of the property is allowed, and the assurance provides for the disposition of the proceeds of the sale and the covenants that must be attached to the sale. The VAB and DOAV reserve the right to establish additional assurances based upon specific project requirements, changes in regulatory guidance, or changes in eligible projects.

When a sponsor accepts the offer and agrees to all the terms and conditions contained in the grant agreement, the sponsor must sign and date the acceptance portion of the grant agreement. The sponsor's attorney is required to complete the certification within the acceptance portion of the grant agreement. A grant agreement becomes effective upon full execution of the acceptance portion of the grant agreement.

6.6 Project Implementation

After a grant agreement has been executed, work on a project may begin. **All contracts, agreements, supplemental agreements, and change orders must be approved by the department prior to the commencement of work.**

6.6.1 Grant Amendments and Change Orders

At any time during the course of a project, the grant agreement between the sponsor and the Commonwealth of Virginia may be amended for justifiable cause, such as a change in the grant amount, a change in the scope of work, or an extension of the expiration date. When a sponsor becomes aware of conditions that will necessitate a change, the sponsor should immediately submit to DOAV a written request for a

grant amendment. DOAV can approve an administrative cost increase up to 10 percent of the total grant amount, except in the case of multi-year funding. If a requested funding increase exceeds 10 percent or modifications to the original scope of work for a state funded project are needed, the request must be submitted to the VAB for action at a regularly scheduled meeting. A sponsor may receive an increase on from either DOAV or the VAB; a sponsor may not receive an increase from both entities for the same grant.

The VAB has given DOAV the authority to approve changes in the original scope of work for a federally funded project as long as the grant amount does not change.

All grant amendments for increases in funding must be approved prior to the subject work being completed. All increases are contingent on the availability of funds.

A change order will be addressed by DOAV at the time the change order is requested. Increases or decreases to a grant will not be addressed until project completion, and increases are subject to the availability of funds.

6.6.2 Reimbursement

A sponsor may request reimbursement for partial payments based on the percentage of work completed or actual costs incurred. The department asks that partial reimbursement requests for less than \$1,000 not be made for capital projects. Final or one time reimbursement requests do not have a minimum dollar amount limit. The requests must be made using DOAV's *Request for State Fund Reimbursement Form*. The form must bear the sponsor's original signature and date to certify acceptance of the costs from consultants and contractors. The form must be submitted with the required supporting documentation, such as a consultant or contractor invoice.

DOAV will review the reimbursement form and supporting documentation. If the submittal is acceptable, payment will be approved. If the submittal is not acceptable, DOAV will contact the sponsor by telephone or email to discuss errors or omissions. If the sponsor cannot be contacted within five business days, the reimbursement package will be returned with a written notification that explains any discrepancy. DOAV will withhold or reduce any reimbursement payment until discrepancies are resolved.

Work completed prior to the execution of a grant agreement will not be eligible for reimbursement, with the following exceptions for which the department may provide reimbursement:

- acquisition of land necessary for approved airport development where the land is acquired in accordance with state and federal requirements and the services for such acquisition
- engineering design that had been approved for a project
- approved preliminary planning or engineering work required to develop a final scope of work for a planning or engineering project

DOAV will not reimburse a sponsor for more than 90 percent of a grant amount until it notifies the sponsor of receipt of acceptable deliverables or final acceptance of construction. Requests for reimbursements exceeding 90 percent of the grant should not be submitted to DOAV if the approval on project completion has not been given by DOAV. Such requests will be returned to the sponsor for correction and resubmission, thereby delaying the sponsor's receipt of the funds. After the receipt of acceptable deliverables or final acceptance of construction, DOAV will accept a reimbursement request for the remainder of a project's cost.

Additional guidance on reimbursement payments includes:

- For federally funded construction projects, contractual work to be accomplished up to 30 days in advance may be included in a reimbursement request. This may include costs for construction materials bonded and delivered to a job site.
- For land acquisition, reimbursement for 90 percent of the grant amount will be made to the sponsor prior to closing. The balance will be reimbursed, upon request, after deeds are recorded and certificates of title have been provided to DOAV.
- For projects at air carrier airports for which both state entitlement and discretionary funding have been approved, sponsors must spend all of their state entitlement funds before they may submit a reimbursement request for the state discretionary funds.

6.6.3 Project Close-out

A close-out letter will be sent to the sponsor confirming that the project is complete and all payments have been made, unless an audit will be performed as described below. Final inspections will be required prior to project close-out for construction projects.

An audit may be conducted on a project. If an audit is conducted, the sponsor will receive written notification of the outcome and any adjustments that need to be made. For federally funded projects, DOAV accepts the audit conducted by the federal Office of the Inspector General. After an audit, a closeout letter will be sent to the sponsor.

6.7 Special Requests for Airport Capital Program Funding

An airport sponsor may have to make a special request for state financial assistance after the submittal due date or for complex projects that will take several years to complete. The VAB and DOAV have adopted the following procedures to accommodate these special requests.

6.7.1 Emergency Request

An emergency is defined as an occurrence or event that threatens or may threaten life or property. Upon receipt of an emergency request from a sponsor, DOAV's director has the authority to declare that an emergency exists and will notify the chairman and the VAB member who represents the sponsor. From this notification, the director shall initiate, per *Code of Virginia* §2.2-3708(F), an electronic meeting of the VAB, that should include the chair and the representative VAB member, during which, if at all possible, a tentative allocation can be awarded. In the event that the emergency is dire, and so documented in the meeting minutes, and a quorum cannot be obtained, any two VAB members may authorize the director to issue a tentative allocation with a requirement that the tentative allocation be placed on the agenda of the next regularly scheduled VAB meeting so the tentative allocation can be noted formally as awarded by the VAB. A complete pre-application package will need to be prepared for submission at the following VAB meeting.

6.7.2 Missed Opportunity

An airport sponsor may not be aware of a need to request financial assistance until after the submittal due date. The situation generating the need may result in a missed opportunity, such as attracting an industry or enhancing air service; the need is not an emergency. The sponsor must provide to DOAV a written explanation of the cause of the missed opportunity. Upon receipt of a request by a sponsor, DOAV will contact the VAB chair and member representing the sponsor. They will determine if the submittal justifies consideration by the VAB at its next regularly scheduled meeting. The sponsor will be notified of this decision. If the decision is to let the project be considered by the VAB, a complete pre-application package must be submitted immediately for DOAV review and presentation to the VAB.

It must be noted that the late submittal of a pre-application package from a sponsor does not constitute a missed opportunity. Late submittals will not be considered for funding at the upcoming VAB meeting.

6.7.3 Multi-Year Funding

In order to provide financial assistance for projects that are of such a magnitude that they would exceed maximum allowable annual funds, VAB policy allows for multi-year programming of state entitlement and discretionary funds. Multi-year allocations are based on estimated revenues and allocations to the Commonwealth Airport Fund. If revenues do not meet estimates or if future year estimates are revised downward, a multi-year allocation may be adjusted.

When state discretionary funds are requested for multi-year funding, the request will need to be made using a complete pre-application package. Upon project approval by the VAB, a tentative allocation will be issued that specifies the years for which funding is approved and the amount approved for each year. The sponsor will need to submit a grant application that includes actual project costs. DOAV will issue grant agreements for the projects for the first year only. A project evaluation will be conducted each year of the multi-year time period. In the evaluations, the scope of work will be reviewed and compared with actual work accomplishments, cost

information will be updated, and available funding will be determined. The grant agreements will be amended for subsequent year allocations upon sponsor request, and the amendments will be based on the annual project evaluations.

6.7.4 Bridge Loan

Because federal and state funding cycles do not coincide, sponsors may request the VAB to fund a project in anticipation of federal reimbursement in a subsequent federal fiscal year. In these cases, the VAB may fund the project at the appropriate ratio based on the scope of work, and DOAV will include in the grant agreement an assurance specifying reimbursement to the Commonwealth of Virginia. Typically, these projects are for federally eligible projects that are reimbursable after the fact, such as land acquisition. This type of project is referred to as a bridge loan.

Within 60 days of the receipt of the grant offer for the bridge loan, the sponsor must submit an application to FAA for the project and provide DOAV with a copy of the application and project schedule. Upon receipt of reimbursement from FAA, the sponsor must reimburse the department an amount equal to 77 percent of the project amount within 60 days. The sponsor must fully reimburse the department within 48 months from the date of the grant offer or request an extension of the payment period from the VAB. Failure to do so will find the sponsor non-compliant with grant assurances and may affect future funding.